

TELEPORT COMMUNICATIONS GROUP INC.
INITIAL COMMENTS
CC Docket No. 95-185
MARCH 4, 1996

II. B. IMPLEMENTATION OF COMPENSATION ARRANGEMENTS

1. NEGOTIATIONS AND TARIFFING

The NPRM correctly recognizes that "voluntary" private negotiations between CMRS providers and ILECs are unlikely to lead to "optimal" compensation arrangements.²⁶ That conclusion is, if anything, an understatement. The record indicates that the existing process of "voluntary" agreements on reciprocal compensation between ILECs and CMRS providers has resulted in arrangements that are never reciprocal and are rarely viewed by the CMRS providers as fair and reasonable.

TCG's own experience in obtaining reciprocal compensation in the state jurisdictions is that negotiation occasionally -- or perhaps *surprisingly* would be more apt -- will lead to a workable interconnection arrangement. More often, however, State Commission rulemakings and evidentiary proceedings are necessary to obtain anything even approaching a fair result, since ILECs have a natural incentive to propose usage-sensitive interconnection arrangements that will obstruct their competitors.

26. NPRM at paragraph 90.

For these reasons, TCG believes that the Commission will need to establish fair and accurate policies and expectations to ensure that the interconnection arrangements are appropriate. While certainly the operational details of interconnection can be worked out between company engineers once the high level financial and policy issues are decided, in the first instance the FCC needs to establish the appropriate ground rules for such agreements.

TCG also agrees with the Commission's conclusion that information on interconnection agreement should be publicly available. As to whether this should be through tariffs, contracts or otherwise, TCG believes that all three options can be workable, so long as the end result is publicly available, and so long as the Commission establishes well-understood ground rules in advance.²⁷

27. NPRM at paragraph 95.

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II. B. 2. JURISDICTIONAL ISSUES.

In its original NPRM, the Commission concluded that its jurisdiction under the 1993 Budget Act was sufficient to adopt both voluntary and mandatory guidelines to govern CMRS-ILEC interconnection for both interstate and intrastate traffic.²⁸ In its Supplemental NPRM, the Commission seeks further comment on the implications of the 1996 Act -- particularly Sections 251 and 252 -- with respect to its authority to adopt such rules.

TCG believes that the Commission's original analysis of its jurisdiction was a reasonable, if somewhat ambitious, evaluation of its jurisdiction. Nothing in the 1996 Act disturbs or diminishes the Commission's authority under the 1993 Budget Act, so to the extent that its earlier analysis was correct, the Commission's authority remains undisturbed.

The 1996 Act, of course, does much more. Section 251 requires that telecommunications carriers interconnect with one another, and it requires that local exchange carriers "establish reciprocal compensation for the transport and termination of telecommunications."²⁹ And it requires that the Commission

28. See NPRM at paragraphs 107-114.

29. 1996 Act, Section 251(b)(5).

promulgate regulations to implement these requirements.³⁰ While the 1996 Act also takes care to preserve state commission authority where it does not conflict with federal policies,³¹ these savings provisions do not diminish the FCC's authority in the first instance to promulgate regulations to govern interconnection. Accordingly, TCG believes that the FCC has authority to adopt the policies it proposes in the NPRM.

30. 1996 Act, Section 251(d)(1).

31. *See, e.g.*, Section 251(d)(3); Section 261.

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**III. INTERCONNECTION FOR THE ORIGINATION AND TERMINATION OF
INTERSTATE INTEREXCHANGE TRAFFIC.**

The Commission proposes that CMRS providers be entitled to recover interstate access charges associated with interstate calling that is originated or terminated onto their networks.³² TCG has no objection to this proposal, provided that the necessary technical and contractual/tariff relationships are established to govern this traffic.

32. NPRM at paragraph 116-117.

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IV. APPLICATION OF THESE PROPOSALS.

V. RESPONSES TO INITIAL REGULATORY FLEXIBILITY ANALYSIS.

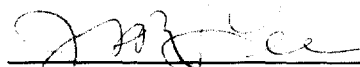
VI. OTHER

TCG has no specific comments on these issues at this time,
but reserves the right to comment further on reply.

CONCLUSION

The Commission's proposal to adopt bill and keep as the reciprocal compensation arrangement for CMRS-LEC interconnection has much to recommend it. TCG, in its capacity as a LEC, is ready, willing and able to interconnect with CMRS providers on the basis suggested in the NPRM, provided that such requirements are imposed uniformly on all LECs.

Respectfully submitted,
TELEPORT COMMUNICATIONS GROUP INC.



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